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## **TESTIMONY**

Delivered by Mark P. Chudwick, Director, Communications & Marketing  
Before the Connecticut General Assembly Appropriations Committee  
Hartford, Connecticut  
February 14, 2014

Good evening Senator Bye, Representative Walker, members of the Appropriations Committee. My name is Mark Chudwick. I serve as the Communications Director for Visiting Nurse Services of Connecticut, one of the state's largest providers of healthcare at home services. Our staff make more than 250-thousand visits each year caring for about 8-thousand patients in Litchfield, New Haven and Fairfield counties. We are a nonprofit provider, more than a century old, whose founding mission is to ensure that Connecticut residents have access to excellent, cost-effective home healthcare services. We are also one of the largest providers of home healthcare for individuals enrolled in the state's Medicaid program. We serve about 2-thousand Medicaid patients each year at a financial loss to our agency of \$3.7 million dollars.

Our agency was created in 1909 by a group of community-minded individuals in the City of Bridgeport who truly believed that there is no place like home, even for the delivery of healthcare. And that these home healthcare services should be available for everyone, regardless of their financial means or ability to pay. For more than 100 years, our agency has lived by this belief, providing critical healthcare services for people in their own homes in an excellent, cost-effective manner without regard for our patients' financial means.

We have had many financial challenges to our mission over the past century. But never have we faced a threat to our nonprofit purpose like we do today.



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For us, taking care of Medicare patients in an effective and efficient manner produced a financial margin which we used to offset losses we experienced in treating Medicaid patients. However, implementation of the Affordable Care Act has resulted in billions of dollars in cuts to our Medicare payments. We are in the midst of yet another 14% reduction in our Medicare reimbursements.

Meantime, demand for home care services for Medicaid patients continues to grow. That demand will grow further as more than 70-thousand new adults have qualified for Medicaid health coverage through our state's healthcare exchange over the past couple of months.

Yet, we are now entering our 9<sup>th</sup> straight year without an adjustment to our Medicaid reimbursement rates. In fact, over the past 20 years we have only had five rate adjustments.

Home care agencies in Connecticut are currently paid between 58 and 61 cents for every dollar of care we deliver.

We have finally reached the tipping point. Connecticut home care leaders are having serious discussions about their abilities to serve the state's Medicaid patients at their current levels. We at VNS of Connecticut are among them. We will remain true to our mission and its commitment to public service, but like our peers across the state, we will not put our agency's own future at risk. We are quite certain that, without rate relief, we will be, at the very least, capping our Medicaid admissions, if not reducing them, in order maintain the solvency of our agency. Others will be forced to do the same. And the demise of home healthcare services for those in Medicaid will begin.

This action, we do not take lightly. It strikes at our very core, our founding mission. But, without some relief, we have no choice.

Thank you.

Robert V. Rodia, *Chairman, Board of Directors*  
William F. Sullivan, Jr., *President and CEO*



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